

Customs Special Procedures

Suspend, pay less or pay no duty on goods you store, repair, process or temporarily use

Customs Special Procedures offer valuable opportunities for businesses to optimize their import activities by taking advantage of special duty regimes. These procedures enable companies to store, temporarily utilize, process, or repair goods, providing them with benefits such as suspension, partial relief, or complete exemption from import duties. By utilizing automated Customs Special Procedures, companies engaged in processing, distribution, and manufacturing activities subject to high duty rates can unlock significant advantages.

Many countries have implemented Customs Special Procedures to stimulate economic activity. These procedures allow businesses to store, process, repair, or temporarily use goods while receiving either suspension or relief from customs duties.

Types of customs procedures

Customs Warehouses play a crucial role in international trade as privately owned facilities equipped with specific areas overseen by customs authorities. These warehouses serve the exclusive purpose of securely storing imported goods. During their storage period within these facilities, the goods are granted exemption from duties, taxes, and other associated customs charges. This Special Procedure proves highly advantageous for companies operating distribution centres, particularly when managing stock that may remain on shelves for extended durations.

Temporary Admission offers businesses the opportunity to temporarily import goods into a country, typically for a period of less than 24 months, while enjoying either complete or partial relief from import duties. This Special Procedure finds frequent utilisation in various events such as trade shows, art exhibits, or music festivals.

End Use Relief serves as a means to significantly reduce or eliminate customs duty on specific imported goods that meet predefined criteria and are intended for a particular purpose within a specified timeframe. This Special Procedure is typically applicable to specific tariff codes, notably including goods related to industries such as aerospace, shipbuilding, and defence.

Inward Processing provides companies with relief from import duties and taxes for goods that undergo manufacturing, processing, or repair, and subsequently, are intended for re-export. This Special Procedure leads to substantial cost savings for businesses engaged in global sourcing of materials to create products for export.

Outward Processing functions as the converse of Inward Processing, granting duty relief for goods temporarily exported for processing or repair and subsequently re-imported as processed products. Under this Special Procedure, companies are not required to pay duty on the original value of the raw materials; instead, they only incur duty on the value added during the processing stage conducted abroad.

How it works

To promote economic activity, many countries offer the opportunity to suspend or reduce customs duties through Special Procedures for the storage and processing of goods. Implementing these procedures require authorisations from customs authorities. The use of these authorisation further require advanced administration capabilities. These capabilities include maintaining real-time records of stock balances and providing reports to customs authorities. Effectively managing these tasks necessitates the use of software solutions. The tradePhlo Special Procedures module is a fully compliant digital solution that enables businesses to implement and manage complex inventory-managed customs procedures effortlessly. With a simple click, this module generates the required reports and declarations, while tracking and documenting details such as free and bonded stocks, stock movements, and stock records per authorisation and storage location, ensuring compliance with customs authorities' requirements.